Irrigation pumps in Pavagada Taluk (applications for power supply).

Q.—383. Sri Mali MARIYAPPA (Pavagada).—

Will the Government be pleased to stste :—

(*a*) the number of applications received for sanction of power for irrigation pumps in Pavagada Taluk for the past one year ;

(*b*) whethe: it is a fact that such applications are kept by on the ground that sufficient power is not available ?

A— Dr. R. NAGAN GOWDA (Minister for Agriculture.)—

(*a*) 84.

(*b*) Estimates have been prepared for all the 84 applications but the same has been kept by due to the overloaded condition of the Power Transformers feeding these areas.

PRESENTATION OF THE BUDGET FOR 1955-56.

Mr. SPEAKER.—The Chief Minister will now present the Budget.

Sri K. HANUMANTHAIYA (Chief Minister).—

SIR,

I HAVE great pleasure in presenting to the House the Budget Estimates for the year 1955-56.

During the current year seasonal conditions have been generally favourable over the greater part of the State. Although the average rainfall during the year was 38·88 inches, which is higher than the State average of 28·25 inches for the last 35 years, in some parts of the State it was not timely and in some others not adequate. Dry crops have not, therefore, been quite good in certain taluks of Kolar, Tumkur, Chitaldrug, Bellary and Bangalore Districts. The seasonal conditions over the entire country and particularly in the neighbouring States have been favourable during the year. The production of foodgrains, paddy as well as cereals, has increased.

We have to remember with gratitude Shri Rafi Ahmed Kidwai whose foresight and administrative ability freed this country from controls and scarcities. In him, we have lost a great leader, a wise statesman and an able administrator. His services to the nation for over three decades will always be remembered with admiration and gratitude.

We have progressed as a result of our policies and efforts from scarcity to plenty in the field of food production. This is, indeed, a happy development. There is, however, another side to this plenty. The prices of agricultural commodities have recently shown a tendency to decline. If the prices of agricultural commodities fall below economic levels, the ryot will

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suffer. I had an opportunity of bringing this matter to the notice of the Planning Commission. Public opinion was insistent that the ryot deserved to be protected against the tendency of falling prices. It is a matter for great satisfaction that following the announcement made by the President in his address to Parliament, the Government of India have decided to purchase certain foodgrains at specified prices. The Finance Minister of the Government of India has, in his Budget speech, given details of the scheme. I find that the scheme applies only to specified areas and grains. It has to be made more comprehensive if it is to bring relief to the agriculturists as a class. It now applies only to Jowar, Maize, Bajra and Wheat. In Mysore State, Ragi is the most important grain and staple food of the people. It is grown on about 25 lakhs of acres. People all over India in general and South India in particular use Rice to such an extent that it is classed as a major Indian crop. It is, therefore, essential that Ragi and Rice should be included in the scheme. It is, however, a matter for great satisfaction that at long last, the agriculturist has secured some protection against the vagaries of falling prices for his produce. The Central Government deserve our thanks for the price support policy they have initiated and for giving this much needed guarantee to the agricultural class who nourish and sustain the Nation.

Since I presented the Budget last year, the President of the Republic of India, Dr. Rajendra Prasad was pleased to visit the State and stay with us for about a month. Such visits by the Head of the State to several parts of the country will go far in fostering unity and understanding. The people of the State are grateful to the President.

We had the privilege of the visit of Marshal Tito, President of Yugoslavia. His visit to our country has been particularly opportune in the context of world events and the attempts that are being made to establish peace. Without peace in all parts of the world, it would be difficult to plan for economic development on a country-wide scale or to improve the standard of life of millions of people in under-developed countries. It is indeed gratifying that the efforts made by our Prime Minister are beginning to bear fruit and

there is likely to be better prospects of peace in times to come. Let us fervently hope and pray that man with the control he has gained over nature will use it for progressive rather than destructive purposes.

States Reorganisation

States reorganisation is probably the most difficult question that we are facing during the year 1955. I have personally made my views on this problem clear in my last Budget speech. About a crore of people in the areas adjacent to Mysore State desire to join another crore of people in the State and form one administrative unit. You will, therefore, see how big the problem is. I appeal to you to come to an unanimous decision in spite of there being now a certain amount of divergence of opinion on the subject. The Government is eagerly awaiting your discussion of the Fact-Finding Committee Report. I am sure your discussions will result in a correct lead being given not only to Government but also to the people of the State as a whole. Government have deliberately refrained from expressing their opinion so far in order to facilitate an unanimous move in the right direction.

Finance Commission

The Finance Minister, Government of India, has indicated that the Second Finance Commission is likely to be appointed early. During the last Budget speech, I had referred to the need for a suitable readjustment of financial resources between the Central and State Governments along the line of a major amendment to the Union and State lists in the Constitution. We are now on the eve of the Second Five-Year Plan. The question of re-allocation of available resources between the Central and State Governments becomes all important in the context of implementation of the Five-Year Plans. The Centre and States, under the Constitution, have been entrusted with certain specific responsibilities. It is but fair that adequate resources are made available to both to meet their responsibilities. There should neither be surplus for the one, nor deficit for the other. It is not constitutionally right or ethically proper for the States to be reduced to the necessity of waiting upon the Centre for grants or loans every now and then. The present position is that the Centre has accumulated resources to an extent that they are in a position to launch upon a policy of compelling State Governments to

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adopt particular works and programmes even in items in the State Lists by such inducements as subsidies, loans and partial contributions. This is leading to needless overcentralization. State Governments are tending to become progressively less self-reliant, not only in raising resources but also in taking initiative and decisions. This policy may also engender the habit of indiscriminate spending, which financially is unsound. I hope that this very important and far reaching issue will receive due consideration at the hands of the Finance Commission. The personnel of the Commission has to be such as to command the confidence of the Central and State Governments. The letter and spirit of the Constitution have to be the guiding factors in the allocation of financial resources between the Centre and the States. I am happy that the Union Finance Minister has taken the view that Finance Commission has to be appointed much earlier than the expiry of the normal five-year period. In fact, its early appointment has become more imperative in view of the likely reorganisation of States in the course of the year.

Five-Year Plan

The size of the Plan for Mysore originally was Rs. 36·60 crores. With the addition of Bellary to Mysore State and grant of special assistance for accelerating the progress of Bhadra and Nugu Reservoir Works, the size of the Plan has now increased to Rs. 47·99 crores or approximately Rs. 48·00 crores.

The progress of expenditure during each of the first three years of the Plan period is as follows :—

		Rs. (crores)
1951-52	... ...	7·17
1952-53	... ...	8·26
1953-54	... ...	7·83

The expenditure to be incurred during 1954-55 is Rs. 10·18 crores and a total sum of Rs. 33·44 crores would have been spent up to end of March 1955. A balance of Rs. 14·55 crores has to be spent during the year 1955-56 if the Plan has to be fully implemented. We have the necessary administrative and technical requirements for spending this amount. The question, therefore, that engages our attention is to provide the balance of Rs. 14·55 crores.

A sum of Rs. 3·37 crores was raised from public borrowing during 1953-54 and a further sum of Rs. 1·50 crores was allotted to this State under the National Development Plan Loan raised during 1954, making a total of Rs. 4·87 crores. This is against the sum of Rs. 9 crores anticipated under the original Plan. It is, therefore, necessary to float a further loan during the year 1955-56. Regarding taxation, the measures approved by this House so far will yield Rs. 3·35 crores during the Plan period, as against Rs. 8·80 crores estimated to become available. A sum of nearly Rs. 1·63 crores has accrued to us from deposits. But the fall in revenue under Excise and Sales Tax and the assignment of land revenue to Local Bodies have reduced our resources to the extent of Rs. 3·33 crores for the Plan period.

Central assistance received so far and expected up to the end of the current year, inclusive of that for Thungabhadra Project in Bellary District, is Rs. 12·98 crores. The Central Government have expressed their willingness to afford further assistance for the year 1955-56.

The entire administrative machinery of the State has now been geared for achieving the well-being of the people. Food, clothing and shelter are the essential requisites of every person. It is the aim of the Five-Year Plan to provide these primary necessities to the extent possible. The Plan is now nearing the completion of its fourth year. Great strides have been made in all spheres of developmental activities. In spite of the phenomenal progress that we have made, critics are not wanting to say that nothing has been achieved. So far as Mysore is concerned, the figures for the period from 1st April 1951 to end of 1954 speak for themselves.

The emphasis in the first Five-Year Plan has been on the development of agriculture, irrigation and power. The schemes of agricultural development including food production and minor irrigation works have made good progress. The targets of food production which had to be reached by the end of the Plan period were attained last year itself.

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586 tanks have been restored, 800 tanks desilted and a number of river channels and pick-ups have been improved or extended. These measures have assured water supply to 1,29,000 acres of land. 10,000 acres of land have freshly come under wet cultivation. 20,700 pallas of improved seed paddy, 47,133 tons of fertilisers and 35,000 tons of compost have been distributed. 2,475 acres of land have been ploughed by tractors. There is a very keen demand for increased supply of improved seed paddy, implements and fertilisers. With the several measures that have been adopted under the Grow More Food Scheme, agriculture in the country is at last on the upgrade.

The three major irrigation projects under the Plan, *viz.*, the Bhadra Reservoir, the Tunga Anicut and the Nugu Reservoir have progressed satisfactorily. The Bhadra Reservoir is the single biggest irrigational work taken up so far in the State. The estimate for the work is now revised to Rs. 17·75 crores. The project, after completion, is expected to irrigate an extent of 2,24,200 acres and produce 41,400 K.W. The preliminary work on the dam has been completed. Masonry work has come up on the right flank to +28 level and on the left flank to the river bed level. Excavation of channels is in full swing and has exceeded the targets. It is expected that the dam will be brought to +62 level and water made available for irrigation under the left bank channel for 20,000 acres by June 1956. The expenditure so far incurred is Rs. 320·20 lakhs, the rate of expenditure being as much as a lakh of rupees per day.

The Tunga Anicut is nearing completion. Its estimated cost is Rs. 231·12 lakhs. So far 7,000 acres of land have already come under irrigation. Another 10,000 acres of land are expected to be served with water by the end of June 1955. The balance of 5,000 acres will be brought under irrigation when the Project is completed by the end of 1955–56.

Nearly 90% of the masonry work of the dam of the Nugu Reservoir has been completed. Orders have been placed for the shutters and deep level sluice gates. The excavation of channels is in full swing. The

first 20 miles are expected to be opened by June 1955 so as to irrigate 4,000 acres of land.

Work on the Tungabhadra Project in Bellary District is in the final stages. An extent of 92,000 acres in Bellary District will be irrigated under this project. Distributaries and field channels covering 25,000 acres in Mysore area have been excavated and a Special Division formed to attend to the balance of works. So far, water is being supplied for about a thousand acres. An officer of the Agricultural Department is being posted to the area to pay special attention to agricultural problems. A Committee is being appointed on the lines of the Visvesvaraya Canal Board. A team appointed by the Planning Commission for developing irrigation under the Project has recommended certain measures, including the starting of demonstration plots and provision of organised credit to cultivators for making their lands fit for irrigation.

The Mahatma Gandhi Hydro-Electric Project at Jog, the last stage of which figured in the Plan, is completed. 324 miles of transmission lines have been laid, 229 villages electrified and 3,721 irrigation pumps serviced. The demand for electric power is ever increasing and we are hard put to meet the demand. The Honnemaradu Scheme is now before the Planning Commission. I am hopeful of the scheme being taken up ahead of the Second Five-Year Plan with the necessary financial assistance from the Government of India. Thirty-two large irrigational works including the Sangenahalli and Tuppadahalli tanks, and anicuts across the Jayamangali at Irkasandra and the Vedavati at Kariyala are nearing completion.

The restoration of a large number of minor tanks taken up under the Plan has also been completed. The total expenditure on all these irrigational works during the Plan period is estimated to be Rs. 14·56 crores.

53 miles of road have been cement-concreted, 120 miles asphalted and 920 miles of inter-village communication roads formed. Seven major and eight minor bridges have been constructed.

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Expansion of Government Porcelain Factory at a cost of Rs. 63 lakhs for the manufacture of High Tension Insulators has finally been taken up. The rural industrialisation scheme sponsored by Dr. M. Visvesvaraya has been extended to all the districts in the State.

The progress of the plan in the other departments is as follows: Twenty-three veterinary dispensaries have been opened. Thirty-five new dispensaries have been started, three Health Units opened and accommodation in the existing hospitals considerably increased. 1,548 drinking water wells have been provided in the rural area. A comprehensive scheme of supply of drinking water in 79 municipal towns at an estimated cost of Rs. 1·8 crores has been administratively sanctioned. The outlay so far under this scheme is Rs. 31 lakhs. Schemes for improvement of water supply in Bangalore and Mysore Cities and in Davangere at an estimated cost of nearly one crore of rupees are in progress.

Under Education, 367 primary schools, 18 *pucca* and 119 new type middle schools and 6 high schools have been started. 17 private high schools have been given grants. 100 primary school teachers and 357 middle school teachers have been appointed. 6,133 adult literacy classes have been held and 88,238 adults made literate. In pursuance of the special scheme undertaken during the year 1953-54 for solving unemployment among the educated classes, 476 schools and 40 adult education centres were opened.

Under the scheme of amelioration of the Depressed Classes, 16,087 houses have been constructed till now.

This brief review of the work done in the Development Departments under the Five-Year Plan will, I hope, give some satisfaction to the House.

Second Five-Year Plan

We are on the eve of the preparation of the Second Five-Year Plan. The size of the Plan may be of the order of Rs. 100 crores, *i.e.*, twice that of the first plan. Industrial development will be the main feature of the Second Plan. Several new industries have to be

started and the existing industries have to be improved and expanded. The Plan should also aim at a comprehensive scheme for developing rural industries. Industrial development is as much the duty of the State as it is the responsibility of the private sector. Private sector deserves every encouragement. Government is committed to the policy of affording adequate aid to Private Sector in its enterprises and efforts to further the industrial progress of the country. It is only by keeping up due proportion and balance between public and private effort that the maximum amount of development can be achieved in the industrial field.

Steps are being taken by the Government to assess the needs of the several areas in the State and to formulate the Draft Plan. The Plan has, in the first place, to make provision for completing major projects still under progress at the end of the First Plan Period. Secondly, major schemes like Honnemaradu Project, Kabini Reservoir and Steel and Alloy Plant at Bhadravati have to be included. Extension of the N.E.S. Scheme to the entire State, State-wide rural development, and development of communications have to be given their place in the Plan. More than all, every child of school-going age has to be provided with facilities for satisfactory education. It should be our ambition to completly eradicate illiteracy by the end of the Second Five-Year Plan. I invite the suggestions of the Hon'ble Members in the preparation of the mighty plan.

Efficiency in Administration

In my last Budget speech, I had mentioned about the steps to be taken to improve efficiency in the administration. Whatever decisions or policies we may adopt they have in the last resort to be translated into action by the Public Services. Only if the administrative machinery is efficient can the intentions of Government to improve the lot of the common man be implemented successfully. It is, therefore, our duty to keep the services efficient and contented. The transformation of the administrative structure of the State to confcrm to the needs of a Welfare State has resulted in an enormous increase of work in all departments and at all levels. The staff, both gazetted and non-gazetted, are, I am happy to say, discharging their duties with loyalty and devotion. The staff employed in Mysore State is smaller than in

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other States of comparable extent and revenue. Yet the services have risen to the occasion and are doing their very utmost to serve the State and the people. I have felt on more than one occasion that we should do something to improve the lot of the non-gazetted officers. Government have already ordered that they should be given free medical facilities. If it is not possible to do more immediately, it is not due to want of will on the part of Government, but due to insufficient resources.

Land Reforms

In the last three years Government have introduced land reforms of far-reaching consequences and of great benefit to the tiller of the soil. Equitable distribution of land and its more effective cultivation were the basis of this policy. Government have amended the land revenue rules so that instead of land being sold in public auction it will be granted only to the landless and to persons owning less than five acres of dry land or two acres of wet land. Big landholders will not get additional lands from Government. Twenty per cent of the land available for disposal has been reserved for the Depressed Classes. The Tenancy Act of 1952 has been extended to all the districts except Bellary. Necessary land reforms are in force in Bellary District. A Bill for further amending the Tenancy Act is before the House. The Bill envisages radical reforms.

The Mysore (Personal and Miscellaneous) Inams Abolition Bill is awaiting the assent of the President. The Mysore (Religious and Charitable) Inams Abolition Bill was unanimously passed by this House in this session. These two Bills are sure to usher in a new era in the history of the land tenures in the State. They seek to confer occupancy rights on the tenants and will satisfy the aspiration of the peasants.

The Government are also considering the question of fixing an upper limit for land holders. But any limit to be so fixed should not unnecessarily jeopardise the interests of one class of people in the country. Social justice and removal of disparities should be made applicable not only to the field of agriculture but also to other spheres of economic activity. The Government will have this in view, while fixing the upper limit to the extent of land that an individual can hold.

The Resurvey and Re-settlement of 42 Taluks were overdue. This work has been taken up and is now under progress in 3 Taluks.

Prohibition

Prohibition is now in force in six districts and four taluks of the State. Tapping has been prohibited in the dry areas from 1st July 1954, as I promised in my last Budget speech. The Government have also agreed, in accordance with the Geneva Convention, to the progressive reduction in the oral consumption of opium in the State and to its total prohibition from 1st July 1959.

We are now committed to the policy of Prohibition. But this is an all-India question. The Government of India have recently appointed a Committee under the Chairmanship of Shri S. N. Agarwal. I welcome the appointment of this Committee. Prohibition in principle receives almost universal approval. But in its implementation, it makes many people sceptic. They have been saying that it is very difficult to enforce Prohibition successfully. This consideration led the United States of America to repeal it. People are not wanting in India to advocate a similar course. But an overwhelming majority of the people are strongly in favour of the continuance of Prohibition. Let us hope that the Agarwal Committee will be able to give us a wise report. I think it advisable to await their recommendations before thinking of extending Prohibition to the rest of the State.

Justice

Separation of the Judiciary from the Executive is one of the cardinal principles which governs the working of democracy. This principle has been embodied in the Constitution. We have to implement this salutary principle without further delay. Steps have been taken to effect the separation within the next two or three months. We were awaiting the report of the Committee appointed for re-organisation of the jurisdiction of Criminal and Civil Courts in the State. The report was submitted to Government on the 31st January 1955. Recruitment of Munsiffs in sufficient number was a pre-requisite for effecting the separation. The recruitment has been completed and its announcement has been held up on account of a writ case pending before the High Court. Necessary provision has been made in the Budget

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Estimates for effecting the separation of the Judiciary from the Executive.

Public Works

(i) *Irrigation.*—The provision for irrigation works financed under various heads aggregates to Rs. 445 lakhs, against which an outlay of Rs. 312 lakhs was booked till the end of December 1954. Among the more important works in progress are the Ambligola Project in Shimoga District, the Gayatri Reservoir and Naranapur Project in Chitaldrug District, Muttarayanakere in Tumkur District, Kenchankere-halla tank in Mysore District, Uyyamballi and Bolenahalli anicuts in Mandya District, Srinivasasagara Tank in Kolar District and Gundumgere Tank and Suvarnamukhi anicut in Bangalore District. An additional grant of Rs. 10 lakhs has also been obtained for accelerating the programme of restoration and improvement of irrigation works included in the Five-Year Plan. Repairs to the Sangenahalli and Tuppadahalli Tanks are in progress and the latter work is expected to be completed early.

(ii) *Communication.*—Special attention is being paid to the improvement of communication in the State. This is necessary in view of the enormous increase of traffic on our roads resulting in very heavy wear and tear. Against the total provision of Rs. 180 lakhs for communication during the current year, an expenditure of Rs. 119 lakhs has been incurred up to end of December 1954.

(*a*) *Roads.*—The works undertaken under the approved programme and financed from the Central Road Fund are nearing completion. Proposals for the construction of roads and bridges at a cost of Rs. 10 lakhs in Malnad have been sent up to the Government of India. Substantial progress has been secured in opening up the Malnad by construction of roads and bridges under a special grant of Rs. 7·5 lakhs. The Government of India have offered a grant of Rs. 56·76 lakhs, being 4/5 th of the cost of development of roads other than National Highways and the balance of 1/5 th is borne by the State Government. The entire programme will be worked out during the present Plan period.

We have agreed to join the National Highways Scheme. The total length of road coming under the Scheme in the State is 317·5 miles. National Highways

are maintained by us on an agency basis, contribution being paid at the rate of Rs. 2,000 per mile by the State. The Central Government have allotted a sum of Rs. 8·78 lakhs during this year for maintenance of the National Highways. Apart from this, a programme of Rs. 75 lakhs for the development of National Highways to be worked out during the period of the First Plan has also been approved by the Government of India.

(*b*) *Bridges.*—Kerodi bridge in Hassan District, Puravara and Keggere bridges in Tumkur District, Kukkavada and Byadarahalli bridges in Chitaldrug were thrown open for traffic. Bridges at Chunchanakatte, Bannur and Madapatna are in progress.

Electricity

So far, 731 villages in the State have been provided with electricity, inclusive of 82 villages electrified during the year. The *per capita* consumption of electricity in the State is now 67 units which is the highest for a comparable area anywhere in India. Among the more important works taken up by the Department, the laying of High Tension Transmission Lines and underground Cables in Bangalore and frequency conversion have made considerable progress. The duplication of the High Tension Transmission Line from Shimoga to Bangalore has now been approved by the Planning Commission for inclusion in the Plan at a cost of a crore of rupees. The work will be taken up during 1955-56 to meet the increased demand for power in Bangalore. The work of laying the transmission line for power supply to South Kanara is progressing briskly. Final agreement was reached this year with the Government of Bombay regarding the rates for the supply of 11,500 kilowatts and accordingly supply of power at Harihar has already commenced.

The number of irrigation pumps in service on 1st April 1954 was 5,539. 959 more pumps were serviced during the current year, bringing the total to 6,498 as on 1st February 1955.

A comprehensive scheme for the electrification of 168 villages and construction of sub-stations, at a total cost of Rs. 150 lakhs, has been prepared and sent up to the Government of India with a request for loan assistance. The scheme is expected to be put into operation during 1955-56.

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Agriculture

Prominence was wisely given to agriculture in the first plan. As already mentioned, the targets set have not only been achieved but also exceeded. The Department has undertaken comprehensive schemes of distribution of improved seeds, improved implements and fertilizers. The quantity of ammonium sulphate distributed in 1949 was 4,500 tons. As against this, 20,000 tons have been distributed in 1954. It is proposed to distribute 30,000 tons of ammonium sulphate during 1955. The Japanese method of paddy cultivation has become popular in the State. 90.000 acres were cultivated under this method during the current year, against 27,000 acres last year. The Grow More Food Schemes during the current year will benefit an area of 3,59,127 acres. The total cost of these schemes is Rs. 1·37 crores. A sum of Rs. 4·25 lakhs has been given as grant by the Central Government and a sum of Rs. 96·35 lakhs as loan towards this expenditure, the balance being the share of the State.

The estimated expenditure under the Plan for the Grow More Food Schemes was originally Rs. 460·95 lakhs. This has been revised to Rs. 785·67 lakhs. The expenditure on the Plan up-to-date has exceeded Rs. 500 lakhs. During 1955-56 the Food Production Schemes will be continued together with a scheme for the development of fisheries in the State. The programme will benefit an area of 3,93,950 acres. The estimated cost of the schemes will be Rs. 1·70 crores. The Government of India have been requested for an assistance of Rs. 1·34 crores. The major portion of funds required under these schemes will be spent on irrigation and the benefits that will accrue will be of a permanent nature.

The importance of agricultural education in the country is great. We have already an Agricultural College at Hebbal. It is housed in temporary sheds. Permanent buildings have to be built and sufficient equipment has to be provided for the College. A sum of Rs. 5 lakhs has been provided during 1955-56 for this purpose.

Animal Husbandry

There are 225 Veterinary institutions in the State. This works out at one institution for 27,000 heads of cattle which is the highest in India. A special scheme

for the eradication of Rinderpest on a regional basis has been sponsored by the Central Government. Government have accepted the Scheme and agreed to its being started in the State from the 1st of this month. The Scheme is expected to cost Rs. 2·78 lakhs and the Central share is Rs. 1·58 lakhs. The importance of this scheme is that Mysore is a cattle exporting area and the complete eradication of Rinderpest in Southern India which is proposed to be done under the scheme will greatly benefit cattle-breeders in the State.

With a view to developing fisheries in the State it is proposed to feed select tanks and reservoirs with fingerlings. It is also proposed to set up an aquarium at Krishnarajasagar. With the large net-work of tanks in the State there is considerable scope for the development of fisheries. I expect that the Department will ultimately become self-supporting, if not, yield some revenue.

The Stud Farm at Kunigal specialises in the breeding of race horses and is the only Government-managed farm of this kind in India. It will interest the Hon'ble Members to know that horses bred on this Farm have won some of the most important races in India. Government propose to improve the farm further.

Co-operation

At present, there are 5,575 co-operative societies in the State with a membership of 6·56 lakhs. The paid-up share capital was Rs. 1·86 crores and the working capital Rs. 9 29 crores.

The most important development during the current year is the launching of the scheme of short-term credit to the agriculturists with the backing of the Reserve Bank of India. The Reserve Bank have, to start with, agreed to afford short-term credit facilities to the extent of Rs. 25 lakhs. For the effective supervision of the scheme and for organising the primary societies for the distribution of loans to agriculturists, three District Central Banks were started during 1953-54. Three more Banks have since come into being and Banks for the remaining Districts will also be set up in the course of the year. One hundred and twenty-five

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Primary Co-operative Societies have so far been selected for the issue of short-term loans to agriculturists. As a corollary to rural credit it is necessary to provide marketing societies on a co-operative basis in at least all Taluk headquarters with sufficient godown accommodation. A scheme for the establishment of such societies is now under preparation. The recent announcement by the Finance Minister, Government of India, about the establishment of a State Bank of India with the object, in particular, of providing country-wide credit facilities to agriculturists is to be welcomed. This is bound to revolutionise banking structure and afford for the first time organised credit and banking facilities to the people in the rural areas who were till now largely at the mercy of the exacting money lenders. The constitution of the State Bank is a land mark in the economic history of the country.

Considering the importance of the principle and the future development of the Co-operative movement, Government feel that in future both short-term and medium loans to agriculturists should be given only through Co-operative Societies. With this in view *Takavi* and Land Improvement Loans now distributed through the Revenue Department may well be canalised through Co-operative Societies.

Industries

I have already stated that the prominent feature of the Second Five-Year Plan will be industrial development. Having achieved self-sufficiency in food, we have now to address ourselves to the more difficult but no less vital task of developing the industrial potential in our country. Heavy and large-scale industries are the foundation for speedy industrial progress. Cottage and Rural Industries also deserve encouragement, for they give employment to a considerable proportion of our population.

So far as Mysore State is concerned, the Mysore Iron and Steel Works is the biggest Government Industrial undertaking. Two new schemes for its development have been taken up, *viz.*, (1) installation of a Spun Pipe Plant at a cost of Rs. 49 lakhs for stepping up the production of small sized pipes from 9,000 to 23,000 tons, and (2) installation of a Sintering Plant at Kemmangundi at a cost of Rs. 45 lakhs for the

economic utilisation of iron ore fines and pieces which are now being thrown away as waste.

The production of pig iron has been stepped up from an average of 23,000 tons before the Five-Year Plan period to about 52,000 tons a year. It is expected to reach 70,000 tons during 1955-56. The production of cement has also increased from 24,000 tons to 75,000 tons a year in the same period. As compared to 2,700 tons of Ferro-Silicon produced, before the plan period the output now is over 4,000 tons. We are now in a position to meet the demand for this essential ingredient in steel manufacture. The erection of two Ferro-Alloy furnaces dismantled at Mysore and shifted to Bhadravati is now under progress and the manufacture of Ferro-Alloys like Ferro-Manganese will soon be taken up. During 1953-54, the Mysore Iron and Steel Works yielded a net profit of Rs. 45·84 lakhs, which represents a return of 8·3 per cent on the net capital of Rs. 553 lakhs.

The future development of the Mysore Iron and Steel Works which is the only Iron and Steel Works in South India is of the greatest importance not only to the State but to the entire country. The need for increased steel production has been acknowledged by all. Conditions in Bhadravati are favourable for the expansion of the steel industry. The Central Government are thinking of increasing steel production by starting new plants. As a matter of broad policy, it is preferable to expand existing industries before considering the starting of new ones. Bhadravati with an Iron and Steel Plant of more than 30 years' standing is obviously best fitted for the location of any additional plant to be installed in South India. Schemes for the manufacture of Alloy, Tool, and Stainless steel at an estimated cost of Rs. 7·4 crores have been prepared. This will meet the demand for the special type of steel in the country which is now dependent on imports. The schemes have been scrutinised by an American Expert Firm. I hope that they will be approved by the Central Government in the interest of the economic utilisation of available resources and integrated progress of the industry.

The other Government Industrial concerns, excepting the Government Dichromate Factory and

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Mysore Implements Factory, have worked at a profit. The total investment by Government over all these concerns is Rs. 119·36 lakhs and the net profit yielded is Rs. 9·60 lakhs. The net profit works out to 8 per cent and shows that these Government owned industries have yielded a fair return on the capital investment. The working of the Hassan Implements Factory has not been satisfactory. To improve its working and to place it on an economic footing, a scheme for mechanisation at a cost of Rs. 10 lakhs has been sanctioned. Production of transformers in Government Electric Factory has been stepped up from 25,000 KVA in 1953-54 to 65,000 KVA in 1954-55. A scheme at a cost of Rs. 11·5 lakhs for the expansion of the Transformers, Electric Motors and Switchgear sections has been approved and negotiations are going on with the A.E.G. of West Germany in the matter of financial and technical collaboration. As already stated, the expansion of the Government Porcelain Factory for the manufacture of electro-porcelain at a cost of Rs. 63 lakhs, has been taken up. The necessary buildings are being constructed, and it is hoped that this Section will go into production before the end of 1955-56. The Government Soap Factory is being shifted to Rajajinagar and steps are also being taken to increase production from 600 tons to 1,500 tons per year.

To overcome shortage of sugar in the country, permission has been granted by the Government of India for starting four new Sugar Factories in the State, one each at Shimoga and Gauribidanur and one each on a co-operative basis at Pandavapura and Kampli. The Factories at Shimoga and Gauribidanur are being set up by private enterprise. The two Co-operative Sugar Factories are in need of financial assistance to supplement the share capital to be raised from among their own members. Negotiations are going on with the Government of India to secure financial aid to these concerns. In the meanwhile, provision of Rs. 20 lakhs has been made in the Budget of 1955-56 towards the subscription of shares by Government.

Mysore is one of the few States which started industries and is running them out of public funds. It is necessary that a correct procedure for the accounting of funds employed in industries is followed. The services

of the Chief Cost Accounts Officer, Government of India, have been obtained for an examination of the system of costing in the several Government Industrial Concerns and in the Road Transport Department, and for suggesting, improvements therein, in the interest of improving the return from these concerns. Until recently, no interest on the capital invested by Government on industrial concerns was being recovered. Such an arrangement cannot obviously be continued, particularly, when most of the money invested is from borrowed funds. The question was examined by the eminent industrialist, Shri Kasturbhai Lalbhai, and this is what he has said :—

"I recommend that the Mysore Government should immediately lay down a clear procedure for the exhibition of the financial results of the working of the State-owned undertakings in the exact manner followed by other commercial and industrial undertakings. For these purposes,

(1) interest should be charged in the profit and loss account at $4\frac{1}{2}\%$ on the amount of advances temporarily sanctioned by the State Government, if any,

(2) full depreciation should also be provided for before net profit and loss is worked out. (The amount standing to the credit of a depreciation fund may be utilised by the Board of Directors as and when required),

(3) the Government investment should be treated as a cumulative share bearing 4% interest and an amount equal to this should be paid over to the Government every year from the profits earned. In case of insufficiency of profits and losses, such payments should be kept in abeyance as arrears, and disbursed from the future profits,

(4) any balance, left over after making payments to the Government at 4% on their capital as proposed above, should be credited to the General Reserve or other reserve as may appropriately be created for each concern."

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Government accept the above principles, and intend to give effect to them.

Rural and cottage industries

The Rural Industrialisation Scheme has been extended throughout the State. It is estimated that the gross additional production of the newly started enterprises will exceed a crore of rupees per annum. Up to end of December 1954, 1,147 new industrial units were started and 1,187 existing units have been expanded or improved. The total working capital of the Rural Industries Financing Bank now stands at Rs. 12 lakhs.

Seven schemes for the resuscitation of languishing industries and development of new cottage industries in the State have been sanctioned with financial assistance from the Government of India as follows :—

(1) Expansion of the Mat-weaving Centre, Bangalore ;
(2) Manufacture of utility glass articles and bangles ;
(3) Expansion of hand-made paper centre, Bangalore ;
(4) Expansion of Rattan-work centre, Shimoga ;
(5) Palm Gur Manufacture ;
(6) Pottery—Red Clay production unit ;
(7) Leather stitching and tanning.

There is no dearth in this country for artistic skill or craftsmanship. Hereditary families of artisans have carried on this tradition from the remote past. They have, in the past several years, been struggling hard for their livelihood and are unable even to raise funds for the purchase of the necessary tools and raw material. It would be a great tragedy if, by our neglect, we allowed the skill developed through centuries to perish. Government have, therefore, sanctioned a scheme for the grant of loans on easy terms to deserving artisans and craftsmen, and have provided Rs. 1 lakh for the purpose.

As regards Handloom industry, the Mysore Provincial Cotton Handloom Co-operative Society have launched a number of schemes financed out of the Cotton

Mills Cess Fund for placing the industry on an economic footing. A total assistance of Rs. 7·43 lakhs as grants, and Rs. 6·46 lakhs as loan, has been obtained from the Government of India. A provision of Rs. 20 lakhs has been made for these schemes during 1955-56.

So far as private industries are concerned, Government are continuing to afford facilities and to provide financial assistance under the State-Aid to Industries Act. The constitution of Industrial Finance Corporation in the State with an estimated capital of Rs. 2 crores is under the consideration of the Government and a provision of Rs. 30 lakhs has been made in the budget of 1955-56 for the purpose.

Sericulture

To end of December 1954, about two crores of disease-free layings were prepared for distribution. Ten thousand mulberry stems were imported from Japan for raising grafts and one lakh of grafts raised at Kanva were distributed free of cost to sericulturists.

Education

The Educational Reforms were happily inaugurated on "Sarvodaya Day". Orders have since been passed in respect of organisational pattern, rationalisation of holidays and working days and introduction of the twin concepts of dignity of manual labour and social service as an integral part of Education. Government have also taken important decisions in regard to administrative reorganisation of the department with the object of decentralising the administration and securing more effective inspection and supervision of the large number of educational institutions in the State.

Government have accepted basic education as the pattern at the primary stage in conformity with the All-India practice and approved of the adoption of an integral course of eight years at the primary stage.

Government have decided that the target set for educational progress under the Five-Year Plan should be fully implemented before the end of March 1956. Decision has been taken to start 233 primary schools, 150 basic schools, 16 New Type Middle Schools, 31 *pucca* Middle Schools and 4 High Schools and to appoint 200 additional teachers and train 160 teachers in the primary grade. The total amount required to give

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effect to this decision is Rs. 15·62 lakhs for which provision has been made in the budget estimates. While starting new schools preference will be given to the villages where the people will come forward to provide school buildings and quarters for the teachers. This selfhelp is essential if we are to provide educational facilities to every child of school-going age in the State.

In view of the emphasis on teacher training programme in the coming year, teacher training institutions—one at Kolar and another at Chikmagalur—are proposed to be started in addition to 9 already working in the other districts.

There has been a phenomenal increase in the number of students that go to schools and colleges during the last eight years. The accommodation available in these institutions is proving increasingly inadequate. It is particularly so in regard to hostel facilities. No doubt, Government besides maintaining a few general hostels, are giving assistance under rules to a large number of communally denominated hostels. These hostels are too few to cater adequately to the needs of the situation. Thousands of students in the cities and towns are residing in unhealthy and crowded habitations. Our goal now is a casteless and classless society. It is necessary to make our young men and women attune themselves to that ideal. Communal hostels have served a useful purpose. But their growth and continuance do not harmoniously fit into the picture of society that we want to evolve. Government have, therefore, decided to launch upon a plan of building general hostels all over the State, so that students might not only prosecute their studies in healthy and comfortable habitations, but also in an atmosphere free from caste and communal contamination.

The Central Depressed Class Policy Committee has already taken a wise decision to admit a few students into the Depressed Class Students' Hostels. Other communal hostels also are now admitting a few students belonging to other communities. This is a happy and welcome development. But we cannot rest content with these token efforts. Efforts must be whole hearted and comprehensive. I wish to see that ultimately all hostels are general and common. The present difficulties of the

students and the future pattern of society that we have in view, have prompted Government to undertake construction of these hostel buildings all over the State on a planned basis. The Plan will cost crores and it is under preparation. In the meanwhile, a start has to be made. A provision of Rupees five lakhs has, therefore, been made in the Budget Estimates to start the construction of hostel buildings in a few places. Local donations, either by individuals or by committees set up for the purpose, will facilitate Government sanctioning the hostels. I hope philanthropic minded people will, without delay, take advantage of this opportunity not only to lend a helping hand in this laudable effort, but also to get a good hostel for their region.

Cultural-Development

Swami Vivekananda in his lecture on "The Future of India" has said, "When the life-blood is strong and pure no disease germ can live in that body. Our life-blood is spirituality. If it flows clear, if it flows strong and pure and vigorous, every thing is right; political, social, any other material defects, even the poverty of the land, will *all* be cured if that blood is pure..... To take a simile from modern medicine, we know that there must be two causes to produce a disease, some poison germ outside, and the state of the body. Until the body is in a state to admit the germs, until the body is degraded to a lower vitality so that the germs may enter and thrive and multiply, there is no power in any germ in the world to produce a disease in the body..... .....It is only when the body is weak that these germs take possession of it and produce disease. Just so with the national life. It is when the national body is weak that all sorts of disease germs, in the political state of the race or in its social state, in its educational or intelle ctual state, crowd into the system and produce disease. To remedy it, therefore, we must go to the root of this disease, and cleanse the blood of all impurities .....

"My idea is first of all to bring out the gems of spirituality that are stored up in our books, and in the possession of a few only..... In one word, I want to make them popular. I want to bring out these ideas and let them be the common property of all, of every man in India, whether he knows the Sanskrit language or not." We may add, "whether he is literate or illiterate."

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Messages, like this, of Saints and Sages inspired Government to start *Samskrithi Prachara* movement. It is still in its beginnings. It has proved popular with the masses and has earned approbation from the wise. It has great future and potentialities.

Compilation of *Kannada Encyclopædia* has been sanctioned. The work will have to be necessarily spread over a number of years. A provision of Rupees one lakh has been made for this purpose. Popular editions of Mahabharata, Jaimini Bharata and Geetha will be printed and distributed during the course of the year.

A Sangeet Natak Academy has been set up under the Chairmanship of Shri B. S. Puttaswamy to co-ordinate and encourage cultural activities particularly in the fields of Dance, Drama and Music.

Community Project

The Community Project was inaugurated in Sorab-Shikarpur Area on the 2nd October 1952. It contemplated an expenditure of Rs. 55·96 lakhs before the end of September 1955. The period has now been extended by one year. The progress during the first year was, for various reasons, rather slow. Subsequently considerable progress has been achieved. The expenditure on the project till the end of September 1953 was Rs. 1,11,460 only. The expenditure at the end of February 1955 was Rs. 16,59,334. The major portion of the expenditure is under Agriculture, Animal Husbandry, Irrigation, Education, Rural Health, Sanitation and Communications which account for Rs. 11,33,000. I am confident that it would be possible to complete the programme before the end of September 1956.

N.E.S. Blocks

There are 14 N.E.S. Blocks now functioning in various parts of the State. The total expenditure on these blocks to the end of January 1955 is Rs. 7,71,796. There has been a very keen demand from many parts of the State for the starting of more N.E.S. Blocks. The Planning Commission contemplate the extension of the Scheme to the entire State by the end of the Second Plan period. Accordingly, before the end of 1961 every part of the State will be covered by the Scheme. The most important feature of this Scheme is the emphasis placed on public co-operation. I am glad to say that the public enthusiasm for the Scheme is keen and sustained.

Local Development Works

Thanks to public co-operation in an abundant measure, we were able to take advantage of the "Local Development Works Scheme". Under this scheme, the Central and the State Governments give grants to works of local utility wherever the people and the local bodies come forward with their share of contribution. Works are selected by the people themselves and are intended to serve their immediate needs.

A grant of Rs. 6·90 lakhs was allotted to this State for undertaking local development works last year. This year the Government of India sanctioned Rs. 16·40 lakhs. Half of this grant is earmarked for Rural Water Supply Schemes. There has been enthusiastic response to the scheme from the local bodies, particularly, the Village Panchayets.

One thousand three hundred and ninety-five works including drinking water wells, construction of school and dispensary buildings, rural health and sanitation works, roads, bridges, culverts and causeways, have so far been sanctioned for execution by the several local bodies, against five hundred and eight sanctioned last year. The estimated cost of these schemes is Rs. 34·87 lakhs which will be met as follows :—

	Rs. in lakhs
Grant by the Planning Commission ...	17·13
Contribution by the State Government ...	8·32
Contribution by the Local Bodies ...	4·47
Contribution by local effort ...	4·95

Of the total number, 1,110 are taken up by the Village Panchayets, 154 by District Boards and 131 by Municipalities. The scheme of local development works has great potentialities for the development of rural areas and I have no doubt that the local bodies will take full advantage of it.

Local Bodies

The reconstitution of the Village Panchayets under the Act of 1952 will be completed within a month or two.

A Bill to amend the District Boards and Village Panchayets Act, 1952, is now before the House. As soon as it is passed into Law, action will be taken to hold elections to the District Boards.

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Social Welfare Advisory Board

The State Social Welfare Advisory Board has been constituted under the Chairmanship of Shrimati M. R. Lakshamma. This board will coordinate social welfare activities in the State and give grants-in-aid to voluntary welfare institutions. So far a sum of Rs. 1·5 lakhs has been distributed to 67 institutions.

Amelioration of Scheduled Castes and Tribes

The scheme of amelioration of the Scheduled Castes and Tribes is operating according to the Plan. During the current year the construction of hostels for Depressed Classes at Kolar, Tumkur, Nanjangud, Serigere was taken up and so far an outlay of Rs. 1·19 lakhs has been incurred. A total provision of Rs. 35·88 lakhs has been made in the Budget of 1955-56 for the amelioration of Depressed Classes. A pamphlet indicating the various measures undertaken to ameliorate the conditions of the Depressed Classes has been circulated to the members of the House.

City Improvement Trust Board

The Bangalore Trust Board has undertaken comprehensive schemes for the formation of sites to relieve congestion in the City. The Board has planned the formation of 13,769 sites at a cost Rs. 2,26,04,320. So far 7,187 sites have been formed. Out of these, 4,706 sites have been disposed of from which the Board has realised a sum of Rs. 51,51,858. Government have up to now advanced a sum of Rs. 87,64,173 to the Board. Interest at four per cent is being charged on the advances drawn and utilised by the Board from 1st April 1954. A sum of Rs. 23·7 lakhs has been repaid to Government. It is necessary that the remaining sites are disposed of expeditiously and the advances repaid in full by the Board.

Scheme for the construction of 63 model houses at a cost of Rs. 2,73,420 was taken up by the Mysore City Improvement Trust Board. Sixty houses have been completed. The work of improving certain congested areas like Paduvarahalli, Adikarnataka Colony and Kurubarahalli at a cost of Rs. 1,80,000 has been undertaken by the Board.

Water Supply Schemes

As the Hon'ble Members are aware, a comprehensive scheme of drinking water supply in urban areas has been undertaken by this Government. Seventy-nine schemes have been administratively sanctioned at a total

cost of Rs. 1,78,48,650. Technical sanction has been accorded for 49 works. The total outlay incurred so far is Rs. 31 lakhs. Recently the Government of India have sanctioned a sum of Rs. 75 lakhs in the shape of loan for the implementation of urban water supply schemes and drainage works during 1954-55 under the National Water Supply and Sanitation Programme. Government hope to complete the several water supply schemes in cities and towns within a period of about 3—4 years.

Rural Water Supply

During the year, 854 well works at a total cost of Rs. 16½ lakhs were sanctioned. Of these, 278 well works have been completed. It is the aim of Government that every village in the State should be provided with drinking water facilities. A provision of Rs. 10 lakhs has been made in the Budget for 1955-56 for this purpose. This is in addition to the grants to be made under Local Development Works and from assignments to Local Bodies.

Housing

During 1953-54, the Mysore Labour Housing Corporation undertook the construction of 2,092 tenements at a total cost of Rs. 58 lakhs. The construction of an additional 2,802 houses has been recently sanctioned by the Government of India at a cost of Rs. 75·7 lakhs. The number of houses completed so far is 2,892 and an expenditure of Rs. 46·39 lakhs has been booked. This is an important scheme sponsored and subsidised by the Government of India for providing housing facilities at cheap cost to hundreds of families of industrial workers in the State. I have often felt that similar facilities should also be provided to other than industrial workers in the low income groups. A scheme, has been drawn up for the construction of 1,800 houses in the State at a cost of a crore of rupees for housing persons with monthly income of Rs. 500 and below. It has now been approved by the Government of India under the Low-income Group Housing Scheme. The Labour Housing Corporation in the State will, for the present, take up the construction of the houses, and an expenditure of Rs. 10 lakhs may be expected to be incurred before the 31st March 1955. An expenditure of Rs. 90 lakhs is likely to be incurred during 1955-56.

Prisons Department

The Mysore Transfer of Prisoners Act, 1954, passed recently provides for the removal of prisoners to Bellary

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Jail from other parts of the State. Under this Act prisoners under certain categories will be transferred to Bellary Jail. This will release valuable accommodation in the Central Jail at Bangalore which may well be utilised for educational purposes.

There has been a strong trend of opinion for divesting the punishment administered to a prisoner of its retributive character and to wean him away for more honest tasks while under confinement so that he may become a useful citizen after release. In implementing this idea, a scheme by which prisoners sentenced to short-term imprisonment are placed in a rural camp under minimum security conditions and trained to do useful manual work like afforestation and rural avocation has been approved and will be put into effect shortly.

Road Transport

The Department is now operating with a fleet of 190 buses on 194 routes. Fifty new buses were purchased during the current year at a cost of Rs. 16 lakhs. The capital invested on the Department to end of 1953-54 was Rs. 21·42 lakhs. Against this, the gross earning for that year was Rs. 42·60 lakhs which works out to 207 pies per vehicle per mile. Deducting the working expenses, inclusive of depreciation of Rs. 34·02 lakhs, the net revenue earned was Rs. 8·58 lakhs. The increase in earnings was due to effective working of the routes and improvement in operational efficiency. For the next year we expect an income of Rs. 12 lakhs. The Department has recently extended its activities beyond the State limits. With the co-operation of the Andhra Government, we have been able to run a bus service from Bangalore to Thirupathi.

Road Transport is an important public utility and its activities are rapidly expanding every year. The general problems connected with motor transport in the State are many and complicated. There is at present no single organisation in the State for co-ordinating the functions and activities of the several agencies at work. Government have, therefore, decided to appoint a whole-time Transport Commissioner for the better regulation of motor transport and improving the revenue from this source.

Medical Facilities

At the beginning of the year, there were 509 hospitals and dispensaries in the State. During the year 9 Local Fund Dispensaries, one Maternity Hospital and one Combined Hospital were opened. Sanction for seven more dispensaries has been accorded. In addition, 254 Ayurvedic and Unani Dispensaries are working under the District Boards in the State.

I should refer to the humanitarian work that is being done by Dr. Modi in our State. Dr. Modi has prepared an expanded programme of relief to sufferers from eye disease. Government in accepting this programme have included a special provision of Rs. 50,000 in the Budget for the next year. I am sure that the implementation of this Scheme will go a long way to carry free medical aid to a vast number of poor people in the rural parts who suffer from eye diseases and defects.

Public Health

There are at present 186 Health Units functioning mostly in the malnad and irrigation tracts of the State. This has afforded protection against malaria to about 50 lakhs of people. With the additional units sanctioned under the National Malaria Control Scheme, protection will be afforded to another 10 lakhs of people in the urban areas and in Bellary District. The B. C. G. Vaccination Campaign has covered Shimoga and Chitaldrug Districts and parts of Tumkur, Chikmagalur and Mysore Districts. The total population so far treated is 15,48,663. Government have agreed to participate in the Combined Rural Health and Nursing Education project with the assistance of the W.H.O./UNICEF. The scheme contemplates the strengthening and extension of general health services in the State and developing a comprehensive programme of public health and health education.

Insurance

The valuation of the quinquennium ending with December 1952 disclosed satisfactory results. It has enabled the department to declare attractive rates of bonuses which are considered to be the highest in India. The rates of premia have also been lowered and commission paid to agents increased to be on a par with those given by private Insurance Companies. The Department is shortly launching a pilot scheme for Cattle Insurance in Bangalore in co-operation with the Indian Council of

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Agricultural Research. The question of taking up Fire Insurance by the Department is also under consideration. A Managing Committee under the Chairmanship of Sri B. V. Narayana Reddy, General Manager, Bank of Mysore Ltd., has been constituted with sufficient powers for getting through the work of the Department on businesslike lines. Sri B. V. Narayana Reddy, an experienced and able administrator, I am happy to say, has agreed to work in an honorary capacity.

At present, the Insurance Department is serving only a small percentage of people in urban areas. There is a considerably wider field left to be explored in the rural areas where the insurance habit has yet to be created and fostered. It is in this direction that the Department has to expand its activities in its own interest and for serving the rural population.

Statistics

I need not stress the importance of accurate and up-to-date statistics for a modern government. Statistics are indispensable for the formulation of the policies and programmes of development and also for evaluating the results achieved. There is a statistical organisation in the State under the supervision and control of the Director of Agriculture. There is need for an independent Statistical Department for the collection of essential and accurate information and its publication from time to time in a proper form useful to Government and to the people. Accepting this necessity, it is proposed to set up an independent Statistical Department in the State by utilising the existing administrative staff and without much extra cost.

Separation of Audit from Accounts

The Comptroller and Auditor General of India has addressed this Government in the matter of implementing the separation of audit from accounts. This involves a transfer, in due course, of the accounts functions now performed by the Accountant General to the State Government. The question is now under the consideration of Government.

Financial Estimates

Having given the House a picture of the policies and programmes followed by Government, I will now turn to the financial estimates.

Revised Estimates for 1954-55

During the current year, the Revenue and Expenditure were estimated at Rs. 2121·40 lakhs and Rs. 2430·63 lakhs, respectively, with an anticipated deficit of Rs. 309 lakhs. The enhancement of Stamp and Registration fees, and of the rate of surcharge on Electricity will bring in additional revenue to the extent of about Rs. 25 lakhs during the year. On the basis of actuals of expenditure for the first six months of the year, the estimate of Revenue and Expenditure now stand revised to Rs. 2117·60 lakhs and Rs. 2316·29 lakhs, respectively, leaving a deficit of Rs. 198·69 lakhs. The more important variations under Revenue and Expenditure are as noted below :—

I. Revenue—

	Rs.	
(i) Anticipated increase—		
Stamps and Registration Fees ...	9	lakhs
Other Taxes and Duties	5	,,
Interest	7	,,
Rural Development	19·50	,,
Electricity	25*	,,
Road Transport	7·50	,,
(ii) Anticipated decrease—		
Medical	8	,,
Industries and Supplies	65	,,
Extraordinary Receipts	12	,,

II. Expenditure—

(i) Anticipated increase—		
Irrigation Works financed from Revenue	10	,,
Rural Development	7	,,
Civil Works	16	,,
(ii) Anticipated decrease—		
Interest	10	,,
Education	16	,,
Medical	7	,,
Public Health	8	,,
Agriculture	13	,,
Industries and Supplies	45	,,
Extraordinary charges	9	,,

The year opened with a cash balance of Rs. 558·67 lakhs. After providing for a capital expenditure of Rs. 747·05 lakhs, the year is expected to close with a balance of Rs. 363·57 lakhs.

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* Includes additional revenue from the enhancement of the rate of surcharge.

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BUDGET ESTIMATES FOR 1955-56

Revenue Account

The Revenue and Expenditure for the coming year are estimated at Rs. 2296·16 lakhs and Rs. 2706·03 lakhs, respectively, the deficit being Rs. 409·87 lakhs. This is the biggest budget deficit we have faced so far. We budgeted for a deficit in the last two years also. In the year 1952-53, the anticipated deficit of Rs. 101·72 lakhs was converted into a surplus of Rs. 75·23 lakhs. The reasons for this have been explained in the Budget Memorandum of 1954-55. The anticipated deficit of Rs. 237·97 lakhs as shown in the Revised Estimates in the Budget of 1953-54 was finally reduced in accounts to Rs. 11·16 lakhs. In respect of the current year, the deficit which was estimated at Rs. 309 lakhs has now been revised to Rs. 198·69 lakhs. It is thus seen that the gap between Revenue and Expenditure in the last few years is progressively on the increase. It should not cause any surprise in view of the impact of the Five-Year Plan on the Budget. In my last Budget speech, I had indicated that the rising tempo of expenditure in the Development Departments with the decline in incomings under certain principal Heads of Revenue would tend to widen further the gap between the anticipated Revenue and Expenditure. At the same time, I also made it clear that in the position of a State like Mysore there could be no going back on the progressive policies and programmes followed so far and that we could only go forward.

As the Hon'ble Members are aware, the expenditure on nation-building activities in the last four years has progressively and considerably increased from year to year. The increase is as much as 3 to 6 times the expenditure incurred in the year 1946-47. In the Budget for the coming year a total provision of Rs. 560 lakhs under Revenue has been made in respect of special schemes included in the Five-Year Plan as well as other schemes like the Community Project, N.E.S. Blocks, etc. This is nearly Rs. 182 lakhs more than the provision for corresponding items in the current year's Budget. The year 1955-56 is the final year of the First Plan period. The increased development expenditure provided for the Plan in that year, therefore, represents our determination to fulfil the targets that have been set for achievement within the Plan period. Besides, it will be observed that the Debt Charges have gone up from Rs. 128 lakhs in

1951-52 to Rs. 254 lakhs in 1955-56. This is the result of provision for increased interest charges in respect of money borrowed for the development programme. Thus the larger deficit on Revenue account during 1955-56 is due mainly to the increased provision for development schemes for implementing the Five-Year Plan fully.

It may be asked if it is wise to go on spending money on this scale in excess of the resources of the State. My answer to this is to point out the achievements already standing to the credit of the Five-Year Plan. The major portion of the expenditure incurred under the Plan is upon building up assets of a permanently productive nature and of lasting benefit to the people. The Bhadra Reservoir, the first stage of which will be completed in 1955-56, is the single biggest irrigation-*cum*-power project so far undertaken in the State. When completed it will benefit 2·24 lakhs of acres. No one can say that the money spent on the Project is a waste. The Tunga Anicut and Nugu, which between them cost about Rs. 5 crores, will soon be completed and bring an additional extent of 42,000 acres under irrigation. Thirty-two other irrigational projects, each one of which would in any other period be considered as a work of magnitude, have either been completed already or are under progress. The Mahatma Gandhi Hydro-electric Works generating 1,20,000 k.w. has become an accomplished fact. This is the biggest project for power generation so far undertaken in Mysore and with its completion the power resources in the State have at one stroke been trebled from 59,000 k.w. to 1,80,000 k.w. The State has been made self-sufficient for food. At no time in the history of Mysore, so many important measures of improvement benefiting so large a number of persons, or covering so large an area, were attempted and accomplished. It has also to be remembered that against the large sums that have been spent on the Plan, or are yet to be spent, these are permanent assets of a productive nature whose benefits are felt not only immediately but over a long period in future. This progress which we have been able to achieve would not have been possible if we had rigidly adhered to the purely financial principle of balancing the budget year after year. It is now coming to be recognised that a certain amount of what is called deficit financing is indispensable for achieving

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economic progress in any big country in the world. It was on this principle that the late President Roosevelt launched his famous New Deal programme. It works this way. When any sizable amount is spent on a public venture it immediately creates opportunities for employment and provides income to a large number of people and increases their purchasing power. This, in its turn, creates a demand for more goods which stimulates further production and provides employment for an increasingly larger number of people and so on. The enquiries conducted by the National Income Committee have proved that *per capita* income in this country has gone up during the Plan period. From the trend of capital formation in India in the last two years, it is seen that about half the increase in income is saved, and returned to the Exchequer in the form of taxes and loans. These direct and indirect advantages which have accrued to the people as a result of the Plan, constitute sufficient justification for the expenditure incurred. I, therefore, make no apology for the increased allotments provided for Development Departments during 1955-56.

As the Hon'ble Members are also aware, there have been deficits in the budgets of almost every State in India for just the reasons set out above. These deficits, however large, are to be looked upon not so much as a threat to our resources but as a challenge to our ingenuity and patriotism and we cannot fail to meet the challenge.

The question for immediate consideration is how the deficit is to be covered, since obviously it is not desirable to leave so large a deficit uncovered. In the absence of other resources, it is necessary as a temporary measure to finance a part of the revenue expenditure from borrowed funds. Accordingly, the expenditure of Rs. 211 lakhs in respect of Communications, Well Works, Community Project and National Extension Services and Minor Irrigation Works, is proposed to be met out of Central loan assistance, and the balance of about Rs. 198 lakhs from the opening cash balance.

While we may, in this way, tide over the position during 1955-56, it is not wise to resort to deficit financing for all time. The Second Five-Year Plan is in the offing

and we have to keep in view the considerably larger resources to be raised for it.

I may recall that eight specific taxation measures for increasing the revenue resources of the State were proposed by me on the floor of the House at the last Budget Session. Of these only two, *viz.*, enhancement of surcharge on Electricity and of Stamp and Registration fees, were approved by the Legislature. Though a sum of Rs. 40 to 45 lakhs was expected from the latter item, actually the additional revenue realised during the year was not more than Rs. 12 to 13 lakhs. At that time it was expected that the proposed surcharge on Land Revenue would bring in an additional sum of Rs. 40 lakhs. But the consideration of the Bill was not proceeded with. Thus, against a crore of rupees of additional revenue anticipated by the several taxation measures proposed last year, it has been possible to realise only a sum of Rs. 25 lakhs. The question of the additional resources for meeting future commitments and covering budget gaps will come up for consideration in due course in the light of the decisions to be taken on the report of the Taxation Enquiry Commission. In the meanwhile, however, I feel that we should also think of some immediate measures whereby the wide gap between Revenue and Expenditure can be reduced to the extent possible. Government, therefore, propose to introduce Agricultural Income-tax on plantations and certain lucrative commercial crops on a sliding scale with suitable exemption limits. A Bill for this purpose is accordingly prepared and will come up for the consideration and approval of this House. The levy is expected to yield an additional revenue of about Rs. 20 lakhs. To this extent the estimated deficit in the next year's budget will be covered.

The report of the Committee appointed to examine the working of the Agreement of 1949 between Government and the K.G.F. Mining Companies is already in the hands of the Hon'ble Members. There are two important aspects arising for consideration, *viz.*, improvement in the revenue to Government and longevity of the mines. As regards the former, the Government of India have been moved in the matter of enhancement of the Royalty on Gold. We may expect to realise an additional revenue of about Rs. 25 lakhs a year when the

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rate of royalty is raised as recommended by the Committee.

I must take this opportunity of informing the House that the Government of India, in kindly acceeding to our request not to give effect to the reduction in the revenue gap under the terms of the Federal Financial Integration, have agreed to continue the payment without reduction for the year 1955-56. We must thank the Government of India for this timely help.

Public Debt

The Mysore Government 5 Per Cent Loan of 1955 for Rs. 163·44 lakhs falls due for repayment on 1st November 1955. Provision for discharging the loan on the due date has been made.

Loans and Advances

The more important items under Loans and Advances with the amounts provided therefor are indicated below :—

	Rs. in lakhs
Loans for Water Supply ...	50·00
Loans for Drainage and other purposes ...	10·00
Loans to District Boards ...	12·00
Loans to Co-operative Societies ...	9·00
Loans to Raw Silk Marketing Co-operative Society	10·00
Land Improvement Loans ...	3·50
Takavi Loans	7·00
Loans for construction of Irrigation wells ...	2·50
Advances for purchase of Electric pumps Diesel Oil Engines, etc. ...	10·00
Loans for Minor Irrigation Schemes under N.E.S	3·00
State Aid to Industries	14·00
Loans to Land Mortgage Bank ...	10·00
Loans for development of Handloom Industry	6·80
Loans to Labour Housing Corporation ...	34·62
Advances to Trust Boards for lay-out extensions.	17·00
Loans for Housing Schemes to low Income groups.	100·00

The total grant provided for capital requirements during 1955-56 is of the order of Rs. 1241·52 lakhs.

The details of provision made for some of the important Irrigation, Electricity and Industrial projects are given below :—

Irrigation	*Rs. in lakhs*
Bhadra	300
Nugu	55
Thunga	60
Thungabhadra	58
Tanks costing above Rs. 5 lakhs ...	35·92
Electricity	
Interior Power and Lighting ...	35·00
Transmission	64·00
Power supply to towns and villages ...	53·00
Power supply to irrigation pumps ...	58·00
Thungabhadra Hydro-Electric Works ...	28·54
Honnemaradu	10·00
Other Capital Works	86·60
Industries	
Iron and Steel Works Development Schemes.	100·22
Electric Factory	4·50
Porcelain Factory	37·25
Implements Factory	5·50
Government Soap Factory... ...	7·00

The above provision would enable the targets fixed in the Five-Year Plan to be reached in 1955-56. Provision of Rs. 30 lakhs is also made in connection with the proposal to establish an Industrial Finance Corporation in the State and a further sum of Rs. 20 lakhs is included for taking up shares in the Co-operative Sugar Companies to be started.

Ways and Means

The Budget placed in your hands provides for a net Capital Expenditure of Rs. 1,236·52 lakhs and for net disbursements under Loans and Advances of Rs. 279·69 lakhs outside the Revenue Account. This is in addition to the sum of Rs. 257·80 lakhs provided towards the repayment of the Mysore Government 1955 Loan and of loans from the Government of India. Thus the total commitments for the year 1955-56 together with the

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estimated revenue deficit will amount to Rs. 2,183·88 lakhs. The resources for meeting these commitments are as follows :—

	Rs. in lakhs.
(i) Public borrowing	300
(ii) Central assistance	1,300
(iii) Net incomings from Deposits, Suspense Remittances, etc.	344·45
(iv) Opening Cash Balance	363·57
Total ...	2,308·02

The year is expected to close with a Cash Balance of Rs. 124·14 lakhs.

Conclusion

I have described to you the programme, policy and the financial picture of Government. In doing so, the uppermost thought in my mind was to get the maximum good-will and co-operation of not merely the majority of the House but of the whole House. Now that the Indian National Congress has accepted the ideal of a socialistic pattern of society for India, the idealogical difference that existed between the Treasury Bench and the Opposition in this House has been happily resolved. It is, therefore, our patriotic duty to pull together as comrades in the common endeavour of making the nation to march from progress to progress. Personal differences should not be allowed to take the colour of policy differences. I am sure, all of you will agree with me, that there is practically no difference in the matter of policy. One might legitimately feel a little dissatisfied here and there in regard to the administrative tempo and details. That is a matter which can easily be discussed and rectified. That does not warrant crystallisation of groups or parties into opposite camps. It is, therefore, my prayer that all of us in this House as well as the other may work for the progress and prosperity of our country without any difference—political or personal.

Sri J. MOHAMED IMAM (Jagalur).—I am commissioned by my friend to request you to adjourn the House for one hour. We may meet at about 3-30 P.M.

Mr. SPEAKER.—All right. We will now rise and meet at 3-30 P.M.

The House adjourned for Lunch at Thirty-three minutes past Two of the Clock and met again at Thirty Minutes past Three of the Clock.

[MR. DEPUTY SPEAKER in the Chair.]

BUSINESS OF THE HOUSE.

Sri Kadidal MANJAPPA (Minister for Revenue and Public Works).—With your permission Sir, I propose that the consideration of the Revenue Board Bill may be taken up because the Tenancy Bill will take a long time. There are still a number of members to speak on that Bill.

Sri K. PATTABHIRAMAN (Kolar).—And in order to meet Sri Gopala Gowda's references.

Sri Kadidal MANJAPPA.—Therefore I propose that the Revenue Board Bill may be taken up.

Mr. DEPUTY SPEAKER. I think, if the Hon'ble members have no objection to take up this Bill, we shall take up that Bill.

ಶ್ರೀ ಎಸ್. ಗೋಪಾಲಗೌಡ (ಸಾಗರ-ಹೊಸನಗರ).—ನಾವು ಮುಂಚೆಯೂ ಹೇಳುವುದಿಲ್ಲ. ನಾವು ಇಲ್ಲಿಗೆ ಬರುವಾಗ ಎಲ್ಲಾ ಪುಸ್ತಕಗಳನ್ನೂ ತೆಗೆದು ಕೊಳ್ಳದೆ ಬರೀ ಕೈಯಲ್ಲಿ ಬಂದಿರುತ್ತೇವೆ. ಆದ್ದರಿಂದ ನಾವು ಹೇಗೆ ಚರ್ಚೆಯಲ್ಲಿ ಭಾಗವಹಿಸುವುದು ?

Mr. DEPUTY SPEAKER.—But you have got the report of the Select Committee. Last time this was postponed for want of sanction of the Rajpramukh. Probably they have obtained the sanction now and they want to take it up.

Sri V. VENKATAPPA (Channapatna).—Yesterday it was ready.

ಶ್ರೀ ಎಸ್. ಗೋಪಾಲಗೌಡ.—ಯಾರಾದರೂ ಮಾತನಾಡುವವರಿದ್ದರೆ ತೆಗೆದುಕೊಳ್ಳಬಹುದು, ಅಷ್ಟೆ.

ಶ್ರೀ ಎಚ್. ಸಿ. ಲಿಂಗಾರೆಡ್ಡಿ (ಮಾಲೂರು).—ಮೊದಲೇ ಒಂದು ತಪ್ಪುಮಾಡಿದಿರಿ. ಹೋದನಲ ಜೆನೆನ್ಸಿ ಆಕ್ಟ್ ಇದ್ದ ನಂದರ್ಭದಲ್ಲಿ ರೆವಿನ್ಯೂ ಬೋರ್ಡ್ ಬಿಲ್ಲನ್ನು ತೆಗೆದುಕೊಳ್ಳೋಣ ಅಂದಿರಿ. ಆ ಹೊತ್ತು ಅನೇಕ ಜನ ಅದಕ್ಕೆ ಸಿದ್ಧವಾಗಿರಲಿಲ್ಲ. ಆ ಮೇಲೆ ಮತ್ತೆ ಜೆನೆನ್ಸಿ ಬಿಲ್ ತೆಗೆದುಕೊಳ್ಳೋಣ ರೆವಿನ್ಯೂ ಬೋರ್ಡ್ ಬಿಲ್ಲಿಗೆ ರಾಜಪ್ರಮುಖರ ಅನುಮತಿಬೇಕು ಎಂದು ಹೇಳಿ ಜೆನೆನ್ಸಿ ಬಿಲ್ಲನ್ನೇ ತೆಗೆದುಕೊಂಡಿರಿ. ಆದ್ದರಿಂದ ಈಗ ಮತ್ತೆ ಬದಲಾವಣೆ ಮಾಡುವುದು ಸರಿಯಲ್ಲ. ಜೆನೆನ್ಸಿ ಬಿಲ್ಲನ್ನೇ ಪೂರೈಸುವುದು ಒಳ್ಳೆಯದು.

ಶ್ರೀ ಕಡಿದಾಳ್ ಮಂಜಪ್ಪ.—ಜೆನೆನ್ಸಿ ಬಿಲ್ಲಿನಮೇಲೆ ಮಾತನಾಡುವ ಮಂದಿ ಬಹಳ ಇದ್ದಾರೆ. ಆದ್ದರಿಂದ ಇವೊತ್ತು ಮಾತನಾಡಿ ಮುಗಿಸುವ ಸಂಭವವಿಲ್ಲ. ಈ ಬಿಲ್ಲಾದರೋ ಸೆಲೆಕ್ಟ್ ಕಮಿಟಿಗೆ ಹೋಗಿಬಂದಿದೆ. ಅಲ್ಲದೆ, ಈಗ ರೆವಿನ್ಯೂ ಬೋರ್ಡ್ ಬಿಲ್ಲನ್ನು ತೆಗೆದು ಕೊಂಡು ಮುಗಿಸಿದರೆ ಮೇಲಿನ ಮನೆಗೂ ಸಾಕಷ್ಟು ಕೆಲಸವನ್ನು ಒದಗಿಸಿದ ಹಾಗಾಗುತ್ತದೆ.

Sri H. C. LINGA REDDY.—If you take up the Revenue Board Bill now, there are many members who are not conversant with it and they have not got the copies of the Bill also. Because they did not know that that item of business will be coming up today.

Sri Kadidal MANJAPPA.—This is one of the items included in the agenda for 28th February 1955 and not disposed of on that day, and it is continuing today also.

Mr. DEPUTY SPEAKER.—Not in today's agenda, but it was included in the agenda for the 2nd March 1955.

Sri Kadidal MANJAPPA.—In fact yesterday's agenda will show you that the agenda for the 28th is continued. The Bill was introduced on that day and that was continued yesterday also.

Sri Mulka GOVINDA REDDY (Chitaldrug).—We have no quarrel with the agenda. Everybody expected that the discussion on the Tenancy Bill will take place for two or three days more. We did not expect that this Bill would be taken up today. Anyhow the Minister wants this Bill to be taken up; we have no objection to it.

Sri Kadidal MANJAPPA.—Thank you.